What is Claimed:

1. A method of converting between a flat file and an XML file, comprising the steps of:

receiving the flat file in a native format;

translating characters of the native format into tokens;

parsing the tokens; and

producing an XML file by converting the first native format to an XML format with the use of at least one annotated schema comprising a model of a flat file.

2. The method of claim 1, wherein translating characters comprises generating tokens for one or more of a delimiter, a tag and a value.

3. The method of claim 1, wherein the at least one annotated schema comprises an XML schema with annotations.

4. The method of claim 1, wherein the at lest one annotated schema defines the flat file model.

5. The method of claim 1, wherein the native record type has one of a delimited format and a positional format.

6. The method of claim 5, wherein each format comprises an optional tag for identifying a record.

7. The method of claim 6, wherein the tag provides context for use with parsing the tokens.

8. The method of claim 1, further comprising converting the XML file to a second native file by serializing.

9. A machine-readable medium having machine-readable instructions for performing a method of converting between a flat file and an XML file, comprising the steps of:

receiving flat file in a native format;

translating characters of the native format input into tokens; and

parsing the tokens to produce an XML file by converting a first native format to an XML format with the use of at least one annotated schema comprising a model of a flat file format.

10.   The machine-readable medium of claim 9, wherein the at least one annotated schema comprises XML schemas with annotations.

11.   The machine-readable medium of claim 9, wherein the at lest one annotated schema defines the model.

12.   The machine-readable medium of claim 9, wherein the model has one of a delimited format and a positional format.

13.   The machine-readable medium of claim 12, wherein each format comprises an optional tag which helps identify a record.

14.   The machine-readable medium of claim 13, wherein the tag provides context for use with parsing the tokens.

15.   The machine-readable medium of claim 9, further comprising converting the XML file to a second native file by serializing.

16.   A system for transferring files as part of a workflow comprising:

a processor, supporting hardware and software functions of the system;

an input device for receiving a flat file in a native format;

a text reader and tokenizer for reading and translating flat file characters of the native format input into tokens;

a parsing device which converts the tokens to characters in an XML file with the use of at least one annotated schema comprising a model of the native format; and

an output device for transmitting converted files;

wherein the processor executes instructions supporting file format conversion using the parser to convert files according to a workflow.

17.   The system of claim 16, further comprising a serializer device which converts an XML file format back into a native format.

18.   The system of claim 16, wherein the at least one annotated schema comprises an XML schema with annotations.

19.   The system of claim 16, wherein the native format has one of a delimited format and a positional format.

20.   The system of claim 19, wherein each format comprises an optional tag for identifying a record.